

立法會
Legislative Council

LC Paper No. LS74/09-10

**Paper for the House Committee Meeting
on 18 June 2010**

**Legal Service Division Report on
Proposed Resolution under section 48A of
the Employees' Compensation Ordinance (Cap. 282)**

The Secretary for Labour and Welfare has given notice to move a motion at the Legislative Council meeting of 30 June 2010 under section 48A of the Employees' Compensation Ordinance (Cap. 282) (ECO).

Proposed revisions

2. The proposed resolution seeks to amend the Sixth Schedule to ECO so that the following amounts prescribed for the calculation of various heads of compensation/surcharge payable under ECO will be revised with effect from 1 August 2010 as follows -

<i>Amounts for calculation of compensation/surcharge</i>	<i>Existing level</i>	<i>Revised level</i>
Ceiling of monthly earnings for calculating compensation for death and permanent total incapacity	\$21,000	\$21,500
Minimum amount of compensation for death	\$303,000	\$310,000
Minimum amount of compensation for permanent total incapacity	\$344,000	\$352,000
Maximum amount of compensation for employees requiring attention	\$412,000	\$422,000
Minimum amounts of surcharge on late payment of compensation		
- initial surcharge	\$490	\$500
- additional surcharge	\$970	\$1,000

Basis for the proposed revisions

3. The proposed revisions represent an increase of 2.34% of the existing amounts which were last revised in 1998. According to the Administration, the levels

of compensation payable under ECO are reviewed every two years to take into account the movements of the Nominal Wage Index or the Consumer Price Index (A) in the relevant period. Some items of compensation are adjusted in accordance with other relevant factors.

4. During the period from 1999 to 2006, Hong Kong underwent deflation and downward adjustment of wages. With the concurrence of the Labour Advisory Board (LAB) that the existing levels of compensation should be maintained so as not to affect the interests of the injured employees, the levels of compensation had remained unchanged since 1998 except that the maximum amounts of funeral and medical expenses were increased in 2000 and 2003 respectively to take into account other relevant factors.

5. The findings of the 2007-2008 review period showed an increase of 5.68% in the Nominal Wage Index. After offsetting the cumulative negative change in wages since 1998, an increase of 2.34% was recorded over the 10-year period up to 2008. The proposed revisions are made in accordance with the principle concurred by LAB that the levels of compensation should not be revised upwards until after the cumulative rates of decrease in wage or price movements had been offset by future increases.

6. For further information, Members may wish to refer to the Legislative Council Brief (with no reference number) issued by the Labour and Welfare Bureau in June 2010.

Consultation

7. According to the Administration, the LAB was consulted and supported the proposed revisions.

8. The Panel on Manpower was briefed on 23 February 2010 of the proposed revisions. Members generally supported the proposal. Though a few Members desired further improvements, none of them objected to the proposed revisions.

Conclusion

9. No difficulties in the legal or drafting aspects of the proposed resolution have been observed.

Prepared by

TAM Shuk-fong, Clara
Assistant Legal Adviser
Legislative Council Secretariat
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